

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /084 W

----- 076867

R 211406Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1635

INFO AMEMBASSY BOGOTA

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

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E.O. 11652: N/A

TAGS: ECIN, ETRD, VE

SUBJECT: ANDEAN PACT

REF: LIMA 0147, STATE 008723

1. SUMMARY - ICE OFFICIAL HAS CONFIRMED THAT DECISIONS ON  
SECTORAL PROGRAMMING AND FURTHER PROGRESS TOWARD A COMMON  
EXTERNAL TARIFF WILL BE DELAYED EIGHTEEN MONTHS. THE POST-  
PONEMENT WILL BE RATIFIED BY THE FOREIGN MINISTERS OF THE PACT  
COUNTRIES. END SUMMARY.

2. EMBOFFS MET WITH PEDRO CARMONA, DIRECTOR OF OFFICE OF  
INTEGRATION, INSTITUTE OF FOREIGN TRADE (ICE) TO DISCUSS  
VENEZUELA'S UNDERSTANDING AND/OR POSITION RE COMMON EXTERNAL  
TARIFF AND SECTORAL PROGRAMMING. CARMONA CONFIRMED THAT  
DECISION ON FURTHER STEPS TOWARD COMMON EXTERNAL TARIFF AND  
SECTORAL PROGRAMMING HAS BEEN DEFERRED EIGHTEEN MONTHS.

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A MEETING OF FOREIGN MINISTERS OF PACT COUNTRIES WILL

TAKE PLACE SOON IN ORDER TO RATIFY THE DECISION FOR POSTPONEMENT WITHIN THE TERMS OF THE AGREEMENT OF CARTAGENA.

3. SECTORAL PROGRAMMING TO BE AFFECTED BY THE POSTPONE-  
MENT INCLUDE ELECTRONICS AND TELECOMMUNICATIONS; STEEL  
AND VENEZUELA PARTICIPATION IN THE METAL MECHANICAL  
SECTOR. SECTORAL PROGRAMMING IN PETROCHEMICALS AND  
METAL MECHANICAL SECTOR FOR COUNTRIES OTHER THAN  
VENEZUELA, WHICH ALREADY HAVE BEEN APPROVED, WILL NOT  
BE AFFECTED BY THE POSTPONEMENT. ALSO, FINAL AGREEMENT  
ON THE AUTOMOTIVE SECTOR IS EXPECTED SHORTLY AND WILL  
NOT BE AFFECTED BY THE POSTPONEMENT; VENEZUELA WILL THUS  
BE ALLOWED TO MOVE AHEAD WITH ITS OWN INTERNAL RATIONAL-  
IZATION OF ITS AUTOMOTIVE INDUSTRY.

4. ACCORDING TO CARMONA, THE SECTORAL PROGRAMMING IS  
SINE QUA NON FOR THE LESS DEVELOPED COUNTRIES' MEMBER-  
SHIP IN THE PACT, AND UNTIL THAT MATTER IS SETTLED  
SATISFACTORILY NO FURTHER PROGRESS CAN BE MADE WITH  
REGARD TO THE COMMON EXTERNAL TARIFF.

5. LIBERALIZATION OF INTERNAL TARIFFS WILL GO ON AS  
SCHEDULED AND WILL NOT BE AFFECTED BY THE DELAY IN  
IMPLEMENTING THE COMMON EXTERNAL TARIFF AND THE SECTORAL  
PROGRAMMING.

6. CARMONA CONFIRMED THAT DR. JESUS FERNANDEZ, CURRENTLY  
DIRECTOR GENERAL OF ICE, IS VIRTUALLY CERTAIN TO BE A  
MEMBER OF THE ANDEAN PACT JUNTA. CARMONA BELIEVES THAT  
A PERUVIAN WILL ALSO BE NAMED TO THE JUNTA, BUT THE THIRD  
POST IS STILL DISPUTED PENDING A DECISION CONCERNING  
WHO IS TO HEAD THE ANDEAN DEVELOPMENT CORPORATION -- A  
POSITION WHICH BOLIVIA WOULD LIKE TO FILL WITH ITW OWN  
CANDIDATE.

7. COMMENT: AS USUAL, CARMONA PLAYED DOWN ANY IMPRESSION  
OF THE PACT IN CRISIS AND IMPLIED THAT THE DELAY IN  
MAKING DECISIONS ON THE COMMON EXTERNAL TARIFF AND THE  
SECTORAL PROGRAMMING WOULD RESULT IN RATIONAL DECISIONS  
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AND WOULD BENEFIT THE PACT IN THE LONG RUN. IN A SEPARATE  
CONVERSATION REINALDO FIGUEREDO, ICE PRESIDENT, TOLD  
EMBOFF THAT THERE IS NO SERIOUS DIFFERENCE BETWEEN  
VENEZUELA AND COLOMBIA REGARDING THE ANDEAN PACT. HE  
DESCRIBED RECENT REPORTS OF COLOMBIAN DISSATISFACTION AS  
A BARGAINING TACTIC RATHER THAN A DIFFERENCE IN FUNDA-  
MENTAL OUTLOOK. FIGUEREDO REGARDED CHILE AS THE ONLY  
COUNTRY SERIOUSLY OUT OF STEP.

8. DESPITE THE EFFORTS OF GOV OFFICIALS TO DOWNPLAY  
DIFFERENCES BETWEEN VENEZUELA AND COLOMBIA, MANY  
VENEZUELAN BUSINESSMEN ARE SERIOUSLY CONCERNED ABOUT  
POTENTIAL COMPETITION FROM COLOMBIA AS TRADE BARRIERS  
ARE LOWERED. END COMMENT.  
SHLAUDEMAN

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## Message Attributes

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